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Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

- - - - - x
In re: : Chapter 11
:
CIRCUIT CITY STORES, INC., : 1Case No. 08-35653 (KRH)
et al., :
:
Debtors. : Jointly Administered
- - - - - x

**STIPULATION BETWEEN THE DEBTORS AND HENRICO COUNTY,
VIRGINIA RESOLVING HENRICO COUNTY'S OBJECTION TO THE
ORDER (I) APPROVING SALE OF AIRCRAFT FREE AND CLEAR OF
ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES AND (II)
GRANTING RELATED RELIEF**

WHEREAS, on November 10, 2008, the debtors and
debtors in possession in the above-captioned cases
(collectively, the "Debtors"), filed voluntary petitions

in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code");

WHEREAS, on January 9, 2009, the Debtors filed their Motion for Orders Pursuant to Bankruptcy Code Sections 105, 363 and 364 (I) (A) Approving Procedures in Connection With Sale of All or Substantially All of the Business or Additional Post-Petition Financing for the Business, (B) Authorizing Debtors to Enter into Stalking Horse or Financing Agreements in Connection with Going Concern Transactions or Stalking Horse Agreements in Connection with Store Closing and Miscellaneous Asset Sales, (C) Approving the Payment of Termination Fees in Connection Therewith, and (D) Setting Auction and Hearing Dates, (II) Approving Sale of Debtors' Assets Free and Clear of All Interests and (III) Granting Related Relief (Docket No. 1429) (the "Sale Motion");

WHEREAS, on January 15, 2009, Henrico County, Virginia ("Henrico") filed an objection to the Sale Motion (Docket No. 1572) (the "Sale Objection");

WHEREAS, at the hearing on the Motion, the Court authorized the Debtors to enter into stipulations

with various parties, including Henrico, resolving its objections to entry of the Sale Order;

WHEREAS, on January 20, 2009, the Court entered an Order (I) Approving Sale of Aircraft Free and Clear of All Liens, Claims, Interests and Encumbrances; and (II) Granting Related Relief (Docket No. 1684) (the "Aircraft Order"), and, on January 22, 2008, the Court entered an amended Aircraft Order (the "Amended Aircraft Order");

WHEREAS, on January 21, 2009, Henrico County, by counsel, sent a letter to counsel to the Debtors asserting that it had a secured claim in the amount of \$83,632 (the "Claimed Amount"), which Henrico alleges is secured by the Aircraft;

WHEREAS, the Debtors and the Henrico desire, subject to Bankruptcy Court approval, to resolve certain of their disputes; and

NOW, THEREFORE, in consideration of the foregoing, the Debtors and Henrico agree and stipulate, subject to Court approval, as follows:

1. The Debtors shall pay the Claimed Amount from the proceeds from sale of the Aircraft at the

closing of the sale thereof or as soon thereafter as practicable. If the Claimed Amount is paid after February 28, 2009, statutory interest at the rate of 4% will be paid by the debtor's estate.

2. Notwithstanding the Debtors' entry into this Stipulation, the Debtors reserve all rights to challenge the Claimed Amount and Henrico's interest, if any, in the Aircraft, and nothing herein shall be deemed to be, construed as or constitute a waiver of such rights.

3. This Stipulation shall be binding upon and shall inure to the benefit of the Parties, their successors and assigns, parents, subsidiaries, and affiliated corporations and organizations, shareholders, officers, directors, employees, agents, and all other entities and individual persons seeking to claim and/or defend through the rights of the Parties.

4. This Stipulation constitutes the entire agreement and understanding between the Parties and no Party has made any promises to or agreements with any other Party other than those contained in this Stipulation. No waiver or modification of any term or

condition contained herein shall be valid or binding
unless in writing and executed by the Parties hereto.

5. This Stipulation may be executed and
delivered in any number of original or facsimile
counterparts, each of which shall be deemed an original,
but which together shall constitute one and the same
instrument.

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By: /s/ Douglas M. Foley
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Counsel for the Debtors and
Debtors in Possession

Dated: February 17, 2009

COUNTY OF HENRICO, VIRGINIA

By: /s/ Rhysa Griffith South
Rhysa Griffith South
Assistant Henrico County Attorney
Office of County Attorney
County of Henrico
P.O. Box 90775
Henrico, Virginia 23273-0775
(804) 501-5091
(804) 501-4140 fax

Counsel for County of Henrico, Virginia

Dated: February 17, 2009

ORDER

Upon consideration of the foregoing, it is hereby:

ORDERED, that the Stipulation is APPROVED in all respects; and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the Stipulation.

Dated: Richmond, Virginia
February __, 2009
Feb 18 2009

/s/ Kevin Huennekens

UNITED STATES BANKRUPTCY JUDGE

Entered on Docket: 2/18/09

CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)

I hereby certify that foregoing proposed consent order was endorsed by and/or served upon all necessary parties pursuant to local rule 9022-1(C).

/s/ Douglas M. Foley

Imaged Certificate of Service Page 8 of 8
CERTIFICATE OF NOTICE

District/off: 0422-7
Case: 08-35653

User: jafarbayj
Form ID: pdforder

Page 1 of 1
Total Served: 1

Date Rcvd: Feb 18, 2009

The following entities were served by first class mail on Feb 20, 2009.
aty +Gregg M. Galardi, Skadden Arps Slate Meagher, & Flom LLP, One Rodney Sq., PO Box 636,
Wilmington, DE 19899-0636

The following entities were served by electronic transmission.
NONE.

TOTAL: 0

***** BYPASSED RECIPIENTS *****

NONE.

TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Feb 20, 2009

Signature:

